**Fund Information**

Fund Type: Short Term Fixed Income

Inception Date: April 2012

Expense Ratio: 0.34%

**Fund Overview**

Managed in a manner consistent with Quaker values, the Short Term Investment Fund’s (STIF) objective is to achieve investment returns in excess of those available from money markets and other short term funds. The fund seeks to preserve capital through investing in high quality, short term bonds and other short-term instruments.

**Fund Management**

STIF is designed for consistent, low volatility performance with an emphasis on low risk, high credit quality and liquidity. It is diversified across principal sectors of the domestic bond market including US Agency, Corporate and Mortgage bonds. Value is added through sector rotation and security selection. Daily liquidity is maintained through an allocation to money market funds. The investment approach balances fundamental qualitative and quantitative analysis. Additional yield is captured by diversifying beyond ultra-short money market instruments. Coupon income and bond maturities are reinvested in short term, relatively higher yielding securities.

**Investor Profile**

The fund is well suited for investors needing liquidity in a one to four-year time frame. This may include reserves or funds needed for capital projects.

**Sector Allocations – June 30, 2020**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporates</td>
<td>39.3%</td>
</tr>
<tr>
<td>US Agencies</td>
<td>31.7%</td>
</tr>
<tr>
<td>Money Mkt</td>
<td>29.0%</td>
</tr>
</tbody>
</table>

**Investment Returns**

<table>
<thead>
<tr>
<th>Period</th>
<th>2020</th>
<th>1 Year</th>
<th>3 Year</th>
<th>5 Year</th>
<th>Since Inception*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short Term Invest Fd</td>
<td>1.61%</td>
<td>2.31%</td>
<td>2.71%</td>
<td>2.11%</td>
<td>1.66%</td>
</tr>
<tr>
<td>Blended Benchmark¹</td>
<td>0.13%</td>
<td>3.49%</td>
<td>2.44%</td>
<td>1.67%</td>
<td>1.22%</td>
</tr>
<tr>
<td>Lipper Money Mkt Fnd</td>
<td>0.08%</td>
<td>1.26%</td>
<td>1.46%</td>
<td>0.95%</td>
<td>0.59%</td>
</tr>
</tbody>
</table>

¹ Blended Benchmark: 80% BofA Merrill Lynch 1-3 Year US Treasury & Agency Index, 20% Lipper Money Market Index.

**Risks**

The fund’s value is subject to the interest rate and price movements of the bond market and individual holdings. If interest rates rise significantly from current levels, bond returns will decline and may turn negative in the short term. Mortgage related securities are more sensitive to interest rate changes as interest rates rise. In extreme cases fund holdings may have their credit ratings downgraded or suffer a default.
INVESTMENT PHILOSOPHY & GUIDELINES

Friends Fiduciary embraces the widely held desire that investments should be made in businesses that serve a beneficial purpose to society. A unifying and consistent belief of Friends over the years is the importance and value of the peace testimony. Consequently, we avoid investing in manufacturers of weapons or weapons components. We also exclude companies that are engaged in the production of alcohol, tobacco, firearms, or coal and those that operate gambling casinos, lotteries, or for-profit prisons.

We give additional in-depth consideration to corporate social track records on labor, environmental, social and governance issues. For companies engaged in electricity production, we exclude those that rely on coal and/or nuclear for a significant proportion of their fuel mix. On social issues, we evaluate companies across multiple dimensions including human rights, labor relations and supply chain management.

SOCIALLY RESPONSIBLE INVESTING

Quaker testimonies and values guide Friends Fiduciary’s investment activities in three primary ways:

- We actively screen out companies that do not meet our SRI restrictions.
- We vote shareholder proxies to communicate our Quaker values on environmental, financial, social and governance issues.
- We join other institutional and faith-based investors in shareholder resolutions and company dialogues to encourage reforms.

ABOUT FRIENDS FIDUCIARY

Friends Fiduciary Corporation is a Quaker nonprofit organization providing cost effective, professional, socially responsible investment management services exclusively to Quaker meetings, churches, schools and organizations.

FFC manages over $500 million for more than 400 constituents across the country. We are a manager of managers, selecting best in class investment managers to implement our Quaker socially responsible investment criteria.

WHY FRIENDS FIDUCIARY?

We deliver...

- Excellent investment returns
- Institutional investment management
- A disciplined Quaker SRI approach
- Excellent customer service

...at cost

For more information, please contact us.

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